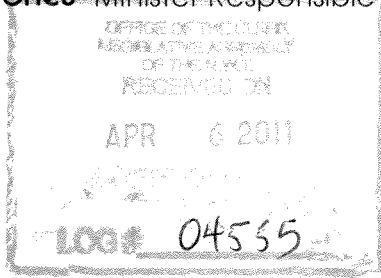




Northwest Territories Minister Responsible for Northwest Territories Housing Corporation



APR 05 2011

MR. TIM MERCER  
CLERK OF THE LEGISLATIVE ASSEMBLY

**Response to Petition 9-16(5) – NWT Housing Corporation Rental Policies**

I am writing in response to Petition 9-16(5) 0 NWT Housing Corporation Rental Policies, tabled by Mr. David Krutko on February 4, 2011. Attached is the NWT Housing Corporation's Response to Petition 9-16(5) to be tabled during the next sitting of the Legislative Assembly at your earliest convenience.

Robert C. McLeod

Attachment

c. Mr. Jeff Polakoff  
President and CEO  
Northwest Territories Housing Corporation

Ms. Heather Riviere  
Legislative Officer  
Executive

Petition tabled by Mr. Krutko on February 4, 2011

Response by the Honourable Robert C. McLeod  
Minister responsible for the Northwest Territories Housing Corporation

### **NWT Housing Corporation Rental Policies**

The Rent Scale used by the Northwest Territories Housing Corporation (NWTHC) for the *Public Housing Program* is a sliding scale that calculates rent assessments ranging from 4% to 30% of household income. This ensures that households with lower income tenants pay a smaller percentage of their income towards housing. Tenants earning higher incomes pay a greater percentage towards rent, without exceeding the 30% threshold. The average rent paid by a public housing tenant is 16% of income, with more than half of tenants paying either no rent (in the case of tenants over 60 years of age) or a monthly rent of \$32. An additional cost of living rent deduction is also incorporated into the Rent Scale. The deduction is designed to compensate for the difference in cost between operating a household in Yellowknife versus other communities.

This limit of 30% is used both nationally and internationally as a measurement of housing affordability. A household paying 30% or more of its pre-tax income for modest shelter is considered to have an affordability problem and to be in core need.

The NWTHC considers the use of gross income to calculate the monthly rent payments to be the fairest method when comparing lower income earners to higher income earners. Higher income earners have the opportunity to voluntarily request additional deductions, such as withholding more income tax, RRSP deductions, Canada Savings Bonds, other employer benefits which results in reducing net pay. These options to reduce net pay could result in higher income earners paying less rent than lower income tenants.

The Department of the Executive, in collaboration with the NWTHC, is in the process of carrying out a Shelter Policy Review which includes a Rent Scale Review. This review is in progress and involves consideration of the NWTHC's current practice of determining and assessing household income (gross income); a review of the current relevance and appropriateness of the "rent-geared-to-income" sliding scale approach; an examination of the impacts of utilizing regional maximum unit rents versus community rents based on actual operating costs; a review of proposed transitional period for tenants who accept higher-paying employment; and a review of subsidy levels for cost of living factors, students, tenants receiving income assistance, and seniors.

It is important to incorporate the Rent Scale Review in the Shelter Policy Review in order to assess the impact that changes to the Rent Scale would have on the Government of the Northwest Territories' (GNWT's) overall approach to shelter. Including the Rent Scale Review within a broader review of shelter policy will allow the GNWT to ensure that changes benefit residents at all stages of the spectrum of housing need, from income support clients to higher income tenants, including those who are transitioning employment.

As part of the NWTHC's commitment to delivering housing programs that are responsive to the needs of NWT residents, improvements and enhancements to programs are also considered on a continuous basis.

The NWTHC also welcomes input from all Members of the Legislative Assembly. Several members were invited to the Minister's Housing Forum held in 2010 to discuss and identify potential and innovative ways to improve our services for tenants and clients. This information will also help inform the Shelter Policy Review. The Department of Executive and the NWTHC will be providing a Shelter Policy Review update to the Standing Committee on Economic Development and Infrastructure on May 11, 2011, the first day of the next sitting of the Legislative Assembly.